

# socialist review

Issue 27

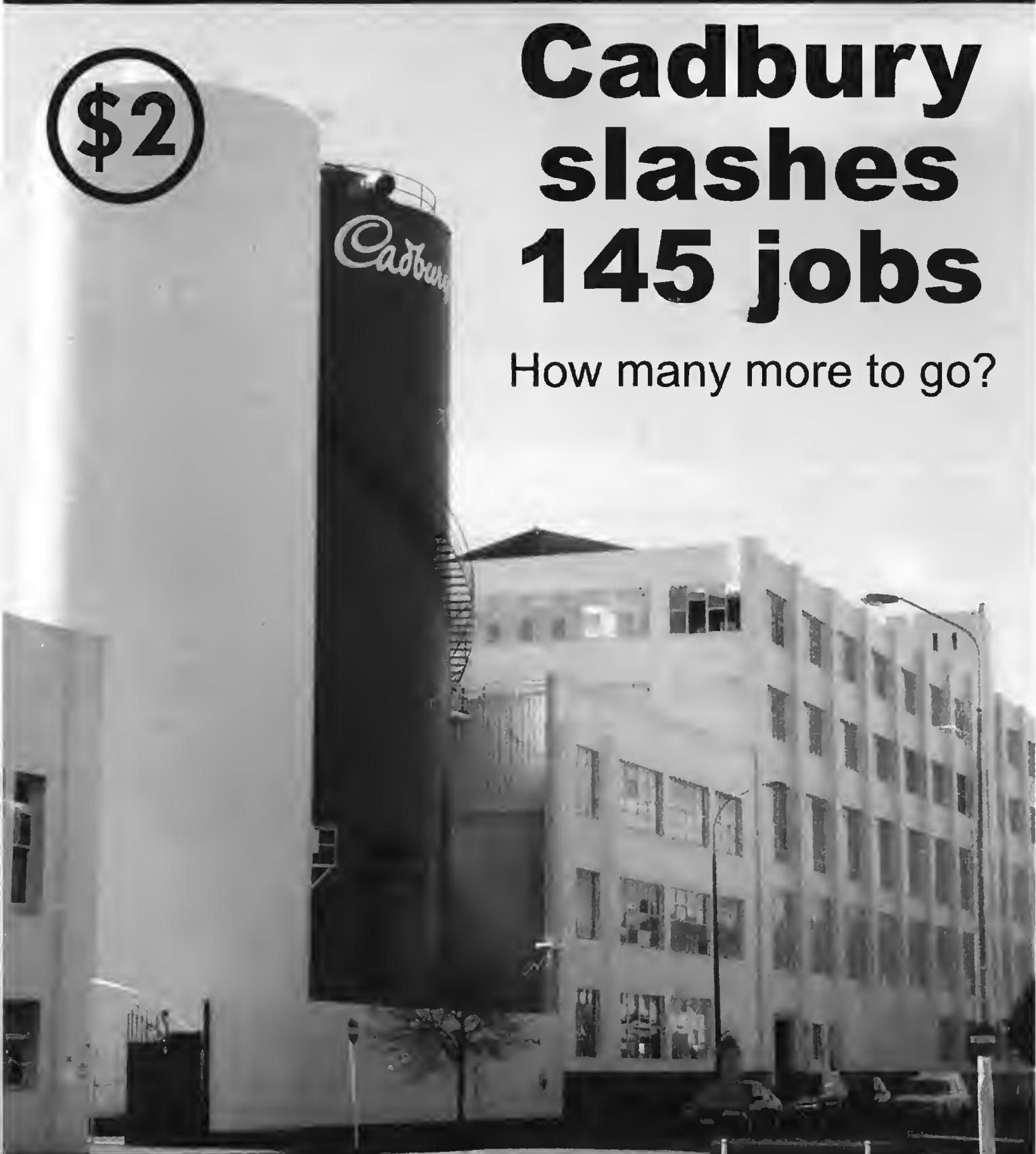
For a democratic and socialist alternative

October 2008

**\$2**

## **Cadbury slashes 145 jobs**

How many more to go?



Election '08  
War in Georgia

Fight fee rises  
Market meltdown

# In this issue of Socialist Review



**O**n Thursday, August 22, Cadbury workers in Dunedin were hit by what the ODT called a “bittersweet bombshell” the loss of 145 jobs, or a quarter of the workforce over the next two years. We look at the causes of these cutbacks and the worrying parallels with Sealords and Fisher and Paykel. Page 4.

**T**he amount of cash the university extracts from each student has grown by around 500 per cent in the last 15 years! At the same time the student allowance has barely grown at all. Students are increasingly seen as raw material in a degree factory. Sick of trying to live on \$150 per week? Got an escalating student loan? Its time to take action! Fight rising fees for domestic and international students. Page 8.

**T**he recent conflict in Georgia has seen the usual stream of bellicose statements, moral smokescreens, and rank hypocrisy, which only our world’s great leaders seem able to spout with straight faces. But behind the propaganda is an ongoing battle between the US and Russia, with Russia now starting to actively fight back after years of insulation and consolidation. Page 10.

**M**any people are understandably frustrated when they try to make sense of the world financial crisis based on what they read in mainstream newspapers. Lee Sustar of Socialist Worker (US) explains how the Wall Street financial crisis grows out of the chaotic nature of the capitalist system. Page 12.

**T**he National Party has attacked solo mothers, by advocating for a scheme that will see them working 15 hours a week when their youngest child turns 6. Page 15.

**T**here’s a pretty pervasive myth that the state plays the role of a neutral arbiter, sort of some objective force, above and removed from society, which acts to mediate disputes between individuals in society. There’s this idea that by upholding the rule-of-law, all the competing interests of all citizens can be fairly balanced. Page 16.

**S**ince the emergence of the gay liberation movement in the 1960s, a seismic shift has occurred in people’s attitudes to homosexuality. The majority of people in Western societies are actually in favour of reforms such as gay marriage. In spite of this however, the attitudes of societies’ ‘leaders’ enables homophobia to persist. Page 17.

# Why we call for a left vote

***We are calling for a left vote in this election, which means we are calling for a vote for Labour or the Greens. That does not mean Labour is on our side.***

On the contrary, Labour and the Greens have more in common politically with the National Party than they have with revolutionary socialism.

The primary ideology of all political parties standing in this election (with the exception of the Workers Party) is not pro-business or pro-worker or pro-environment or pro-family or pro-Maori. The shared ideology of all these groups is parliamentarianism – liberal democracy.

Labour represents left parliamentarianism and National, right. The broad ideology is the same.

They both accept the separation of the economic and political spheres: Dictatorship not democracy at work, the right of business owners to live off others' work and a limited democracy controlled by state and party bureaucracies.

No party in this election has any intention of changing the fundamental inequalities of capitalism. Labour and Alliance (which is just a left version of Labour) both accept the role of capital in wealth creation. They might like to redistribute wealth towards the poorer sections of society (although Labour has done the exact opposite), but the mechanism that creates this inequality – the idea that possessing a piece of paper, a title deed or stocks and shares, entitles you to live without working, more, to control the wealth that is created by the work of other people.

## Left and right parliamentarianism

Labour represents the popular side of the bourgeois ideology, the side that can best rally mass support for the system in times of crisis.

National represents the repressive side of

the system. It looks backwards to pre-liberal ideas like religion, so-called family values, British culture and the monarchy but, like Labour, it would never step outside the parliamentary, liberal capitalist democracy.

National, openly representing the rich, has to assemble a coalition of disparate forces from small business, farmers and the professional middle classes. That's the reason for their name – it's a broad umbrella because assembling such a coalition is difficult.

## Labour are not socialists

Young Labour people suppose we oppose Labour because, although we aim at the same goal, they aim to get there slow, while we are in a rush.

They are wrong. We oppose Labour because they are the misleaders of the working class. Labour uses working class organisation to ensure the continuing profitability of NZ capitalism.

Not since the very first 1930s government has its leadership even been working class. Certainly now, this powerful machine, which claims to represent working people, is firmly under the control of the professional middle classes and business interests.

Some on the far left, such as the Workers Party and the Socialist Worker organisation believe the betrayals of Labour have now reached the point that it is time to abandon any support for them and build a new workers party. There's nothing we'd like to see more than a party that genuinely represented working people. That's the entire purpose of all the work that we do. But standing in an election doesn't make you a party.

## Build a workers party to replace Labour

We don't fight Labour unless we are in a position to replace its leadership because they seek to use working class organisation for capitalist ends. We always criticise Labour and we are always clear that they are a parliamentary party – which means they

are not 'left like us', they are committed to the façade of liberal democracy, with all the inequality that goes with it. That's why we encourage people to vote left but to do it without any illusions. Labour is better than National only because it's a party that appeals to workers as workers – not because it offers anything better.

Labour saves the system from itself. In the Great Depression, when working class militancy was at its height, Labour stepped in and channelled that anger into support for capitalism. The Fletcher family made their fortune building state houses and many other people got rich from the war effort.

In the 1970s, when strikes hit a new high, Labour again came into power on the back of great hopes and, having shattered them, left office. And of course, in the 1980s, it was Labour that introduced the savage neoliberal policies that resulted in the biggest transfer of wealth to the rich in the world for the time. It's a waste of time for us to worry about whether we end up with a Labour or National-led government. Whatever happens, we will have to fight, especially if the recession bites deeply.

## Class war

Like it or not, we are in a class war. The sacking of Cadbury workers is one manifestation, fee rises for us and pay rises for the VC is another. Unless workers and students organise and fight back we will always be the gigantic mindless slave, controlled from above, that ruling class myths of "born to lead, born to succeed" encourage. The first step is to build a socialist, workers party. It is not a task that is accomplished quickly, it's the work of decades but it has been done many times before in the most varied countries and cultures. We need to encourage leaders from the grassroots, from among workers and students to replace this top down rule with a self-governing society. That's the goal of Socialist Review and the International Socialists Organisation. If you agree with this aim, then join us!

## GET INVOLVED!

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Dunedin

Meets every Thursday @ 7.30pm

Otago Room, Clubs & Societies Building, 84 Albany Street

Ph: Brian (03) 472 7473

Rest of Aotearoa

[contact@iso.org.nz](mailto:contact@iso.org.nz)

Australia

Socialist Alternative: [www.sa.org.au](http://www.sa.org.au)

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# "Bittersweet" bombshell in war on workers



**On Thursday, August 22, Cadbury workers in Dunedin were hit by what the ODT called a "bittersweet bombshell" the loss of 145 jobs, or a quarter of the workforce over the next two years.**

"Bittersweet Bombshell" sounds like the name for a new line of confectionery – chocolate-coated strychnine, perhaps. This new round of redundancies, following the loss of around 1400 jobs over two years, 700 in the last four months alone, is certainly a poison pill for the city.

Cadbury, the ODT, the Dunedin City Council, the Labour Party and even the trade unions all agree that the bitterness of the redundancies is sweetened by the promise of \$51 million worth of spending on equipment.

## Local job losses

In the past two years there have been announcements of around 1400 redundancies by seven major Dunedin companies, including Sealords, Wickcliffe Press, Tamahine Knitwear, Fisher & Paykel and Cadburys.

In most of these cases, the job losses have been staggered. Sealords, Fisher & Paykel, Silver Fern Farms (Burnside freezing works) and Wickcliffe all shut down their Dunedin factories piece by piece. At every stage, the establishment, including politicians, local

government, business leaders and union bureaucrats, were 'disappointed' at the job losses but happy that more redundancies had been avoided.

The union bureaucrats, especially, were apparently blindsided by the job losses as most of these companies were thought to be "good employers", with high rates of union coverage. Because of this, the union leaders (mainly from the Service and Food Workers Union and the Engineering, Printing and Manufacturing Union) were eager to believe that by sacrificing section after section of the workforce at each factory they were saving the rest of the jobs.

When Fisher & Paykel announced the closure of its Auckland plant in August, 2007, EPMU national secretary Andrew Little called on the government to do more to protect the business (which had already benefited from hundreds of thousands of dollars, if not millions, in local and central government rates relief, tax rebates, cheap

or free loans and grants).

"We're now seeing a very serious and very desperate situation in manufacturing that will have flow-on effects for our economy and our society for years to come," he said. He joined the Employers' and Manufacturers' Association in calling on the Government to pursue policies to nurture local manufacturers.

After the announcement of the closure of the Mosgiel plant (which was also preceded by staggered layoffs) he was still making excuses for the bosses, saying, "most exporting manufacturers in NZ are struggling with a high US-NZ dollar but you can expect companies the size of Fisher & Paykel to work hard to keep jobs here."

The Service and Food Workers Union claimed the Cadbury layoffs were a bolt from the blue but almost exactly a year ago they were facing the same situation with the same company, as Cadbury shut down its Avondale, Christchurch, plant with the loss of 200 jobs. More than that, the Otago Daily Times reported not two months ago on rumours that Cadbury was considering restructuring.

The other thing that these layoffs have in common is the way that they are announced as if they are happening tomorrow and therefore there is nothing for unions (or anyone else) to do about it. This strategy serves to completely disarm any resistance, after which the firms often continue operating for as long as they want, even, as in the case of Fisher and Paykel, ramping up production.

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## World trends

Of all of these companies, only Fisher & Paykel has openly admitted it is shifting production to low wage countries (Thailand and Mexico).

Sealords shifted production to Nelson and while I have not found any evidence that they have shifted production to low wage countries, one week after they laid off a further 323 workers in Motueka, their rivals Talleys and Aotearoa Seafood applied to import 100 migrant workers claiming a tight labour market. Even more bizarrely, Talleys actually exported fish to China for processing before re-importing it to New Zealand!

Cadbury's layoffs are part of a plan announced last year to layoff 7500 jobs internationally (out of 50'000 jobs) and close 15 per cent of their factories - but to increase production in China and Poland (including outsourcing production).

This announcement came directly after a restructuring that took place between 2003 and 2007 which saw 6000 jobs lost and 30 plants closed.

In 2006, it outsourced much of its paperwork to India, China and Romania.

It must also be remembered that the advanced economies hold African cocoa producer countries in the most abject poverty by blocking any processing industry in those countries. As a result, barbaric conditions rule in the cocoa fields.

## International competition

There are two major trends at work behind all of these layoffs, which talk of the high NZ dollar disguises because it is a superficial cause. These two trends are mechanisation and the international competition in the labour market.

International competition is something the ruling class has a love-hate relationship with. On the one hand, low wage economies can boost profits quickly and local businesses are mightily attracted by this but on the other hand, they resent other businesses also benefiting from this and fear social unrest at home. Protectionism has been a powerful rallying cry for sections of the ruling class, especially manufacturing, in New Zealand and internationally in the past and there is every indication that it is on the rise again.

For workers though, this approach is pure poison because it requires an alliance with 'our' bosses against foreign workers.

This alliance is fatal because in order to maintain it, workers organisations are open to constant blackmailing and must at all times avoid building the self-reliant, independent workers organisations that might spontaneously clash with the bosses.

We are living in a quite distinct period from the post-war boom and grasping this, understanding the transition is an essential prerequisite to having any kind of



Chocolates on sale in a Beijing supermarket: Chocolates made in Cadbury PLC's Beijing factory have become the latest casualty in China's widening melamine tainted-milk food safety scandal. The melamine milk scandal has nothing to do with low Chinese standards and everything to do with profit-mad multinationals.

understanding of the challenges and political possibilities.

One feature of this period has been the opening up of former Stalinist state capitalist regimes to Western capitalism.

Whereas only 20 years ago the only real wage competition in the world was between the 500 million or so workers of the advanced industrialised countries of Europe, Japan, North America and Australasia (with competition between East and West

working classes. Whole swathes of the third world have been abandoned by all but the most predatory of industries (like Timor and the oil industry and the cocoa industry).

Underpinning this change is weakness in the system, not strength.

The collapse of the eastern bloc was due to stagnation in the world economy as a whole and to the long-term decline of the US relative to its rivals.

This decline and the opening up of the eastern bloc to western capitalism has created massive volatility.

Western governments may deplore the loss of jobs at home but they recognise that denying their own firms a place at the low-wage trough would result in capital flight and economic ruin. So they join the rush to exploit foreign labour even though this only increases the volatility.

## Mechanisation

While the sharpening of international competition is specific to this period, mechanisation is nothing new. Indeed, it is one of the distinctive features of capitalism compared with other historical periods.

Karl Marx talked about the way that capitalism constantly revolutionised production in the Communist Manifesto. In fact, unlike other early socialists, like the Luddites (and many modern Greens) he saw the mechanisation of boring, dirty, heavy and dangerous work as something that could liberate us from drudgery. But he also recognised the terrible irony that for workers under capitalism, machines, which are made by workers, can steal their livelihoods.

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mediated through an arms race, not trade competition), since the fall of the Berlin Wall in 1989, around 1.5 billion workers from the former state capitalist bloc have been added to the pool of labour that can be exploited by western capitalists.

This has resulted in windfall profits for the world's ultra-rich.

This is often misleadingly called globalisation. It's misleading because it is not an even process of investment but one focused on former state capitalist countries, which have relatively good infrastructure, and large, skilled and well-educated





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Workers should not be punished for mechanisation

So not only are workers in Dunedin seeing that because of international competition, as Bob Marley put it, "when you go to get some food, your brother got to be your enemy" but also that the profits that they have created for Cadburys are being reinvested to strip them of their jobs.

The only way that this makes sense is if you accept that business owners actually create the wealth – and this is nonsense. No amount of title deeds, capital, machines, or raw materials on their own can create any new wealth. The factors of production have to be brought together by people and made into something new. Human labour is distinct from all other factors of production because it can create new value.

To punish workers for creating this value by removing their jobs is obviously unjust.

Of course, Cadburys and the other companies will weep crocodile tears over the injustice but claim they have no choice – the market forces them into it.

As one Cadbury suit said, "This is a very difficult process. The Quakers who founded Cadbury were very paternalistic and very good business people. We will treat our people well and with respect in the belief that what we are doing is good for the 85% of them that remain with us."

But just because Cadburys, F&P and the rest of the corporate muggers have no choice, that doesn't mean we have no choice. It's wrong that we should be punished for creating wealth for them and we can fight it. But the only way to do this is through international working class solidarity – never through the nation state.

## Free trade vs protectionism

So far I have shown that the opening up of former state capitalist countries to western capitalism has dragged down wages which were already depressed by the stagnation of the western economies, especially the USA.

This intensification of international competition has two contradictory implications for the ruling classes (governments and business) in the advanced economies. On the one hand, the lure of vast profits draws our rulers into deeper

engagement with low wage countries. On the other hand, this engagement destroys manufacturing in the west and will increase social unrest.

As you would expect, it is in the largest economies that this contradiction is most plain. The US and Chinese ruling classes are locked together like a couple unable to escape a co-dependent abusive relationship. The US needs Chinese investment to keep the dollar high, China needs the dollar high so it can keep a market for its products. Neither can break off without destroying themselves.

There are two responses possible to the US ruling class, protectionism or aggressive engagement. The invasion of Iraq and Afghanistan is increasingly looking like a failed attempt at the second.

NZ and Australian government attempts to bind the Pacific closer together is a similar response to concern at Chinese encroachment.

The alternative, which is often portrayed as left wing, is protectionism.

Sue Bradford, a Green MP and former Maoist, who is now arguably the most left-wing politician in parliament, responded to the F&P's closure announcement (remember they are still operating at capacity) by blaming not the company that was off to exploit poor Thais and Mexicans but free trade agreements with China and Thailand, which "robbed kiwi workers jobs".

Her party's response to the predatory instincts of New Zealand bosses is to "Buy NZ Made" – a ridiculous idea. I like to buy NZ food, but I can't buy NZ cars, or petrol, or electronics (of course, for many back-to-nature Greens that only confirms the rightness of the policy).

Of course, business supports this kind of foolery even while it invests in Asia.

The Alliance Party in the past also



George Cadbury: The chocolate multinational founder was a member of the Quaker religious movement but the idealism of the company's founding fathers has proved no match for the iron law of capitalist greed.

advocated protectionism, particularly in the shipping industry. They argued that the maritime union should cooperate with government and business to regulate the industry.

While we fully acknowledge there are many excellent activists in both parties and many left-wing people who hold protectionist views, it doesn't change the fact that protectionism always requires cooperation with 'our' bosses against foreign competition but if there is one thing that these layoffs show – bosses are locked into the iron law of competition, not cooperation.

In the worst cases, protectionism encourages xenophobia, racism and militarism.

### Workers can act internationally

International cooperation among workers, without any involvement of the state is the only way forward. This may seem terribly theoretical but it is actually more practical, concrete and immediate than any of the fake half-baked solutions offered by politicians.

Just fighting back through union struggle is the start. It's at work that people have power (ironically, the more mechanised a workplace, the more power workers have), not as consumers.

That imposes a cost on the businesses. It punishes their bottom line for the pain they cause here and increases the price of labour internationally.

First, workers are not to blame for mechanisation – in fact, we deserve rewarding for it through upskilling or shorter hours for the same pay.

Second, no company has the right to leave this country to go to a low wage country. If a company is determined to do so, then they should pay redundancy payouts at penalty rates. Their profits have been made on our backs and often with tax breaks. They have no right to take any of that wealth out of the country.



Nearly 5,000 former Coca-Cola workers in Venezuela have blockaded 23 bottling facilities since last Tuesday to demand compensation for having been laid off after a takeover by Mexican multinational FEMSA in 2003. Coca-Cola had offered to create a \$10 million fund to pay for scholarships and medical bills for the workers, who say Coca-Cola owes \$242 million to 11,633 workers who were laid off during the ownership switch. FEMSA says it has no responsibility for the workers' grievances because they were never on the FEMSA payroll. Labor organizer Marcela Máspero said such "bourgeois laws," is a sign that "the tentacles of the transnational [Coca-Cola] have reached all levels" of the Venezuelan government. "There are only two positions: one in favor of the transnational and the other in favor of social justice," Máspero said. (October 6, 2008 (venezuelanalysis.com))

This demand will be popular. It is the same idea as a penal rate, where the boss pays more for failing to employ another worker. Here, the redundancy payouts will discourage firms considering moving and by holding up the value of wages here, increase the price of labour internationally.

Third, workers here should force any company opening a plant overseas to allow union access and workplace inspections.

Fourth, the struggle never ends. If a company closes, workers can occupy the factory and reopen it as is happening right now in Venezuela. In the 1980s it was popular to blame unions for scaring capital away by going too far – it's clear now what bullshit that was, as companies continue to leave despite the most docile, mild union bosses.

### But what can a small group do?

Okay, let me be honest. It's not easy for a small campus-based group in the South Island of New Zealand to reverse the global depression of wages by international working class direct action. These are enormous trends.

But, on the other hand, the global struggle between labour and capital is right outside your door.

We are a propaganda group, not a political party. We don't have any members in the SFWU at Cadburys who could lead a successful campaign against these cutbacks. But we can explain what is going on to thousands of people and that will lay the basis for a real workers party.

By Mike Tait

## Join the Struggle

*Socialist Review* is a magazine produced by the International Socialist Organisation Aotearoa. It aims to provide quality political analysis that represents the interests of the working class majority in New Zealand. But unlike "alternative" media sources, we don't aim simply to provide an "antidote" to the corporate lies, imperialist wars, oppression and inequality that dominate the global landscape; we aim to put them into historical and economic context, to draw links between the various issues and the global capitalist system, and analyse what they mean for ordinary working people and the working class movement, both at home and abroad. To do this we try and maintain a healthy balance of domestic and international issues.

We also practice what we preach, and support the working class movement whenever we can, with the long-term aim of building an organisation that can provide the working class with political leadership in times of upheaval.

If you're interested in our politics and want to know how you can get involved, please email: [contact@iso.org.nz](mailto:contact@iso.org.nz) or visit our website: [www.iso.org.nz](http://www.iso.org.nz)

# Fight rising fees for domestic

Approximately 1 in 10 students on campus each day is an international student. Unfortunately, in the last few years, international fees have risen at an alarming rate. This is harmful for all students.

The "necessity" of this has been used to justify pushing up domestic fees and cutbacks in a growing number of departments. At the same time, some people irrationally blame the increasing number of international students for the steadily worsening conditions for students and lecturers. Money is slashed from practically every

budget. This argument has more to do with racism than with genuine concern for our universities.

Like domestic students, International students' fees normally rise by about 5% per annum - because international students pay more, this means much higher increases in real terms. A 5% increase for domestic students means an increase of something in the order of \$25 - \$30 a paper; for international students, this can mean up to an extra \$700 a year for a normal course and more for a professional course such as medicine or dentistry. Overall, they already pay approximately

four times as much as domestic students. For international students doing a bachelor of dental surgery, fees for next year have increased by \$1,884. Pre-clinical med fees rose by a staggering \$2,370 per annum this year.

International students who aren't fortunate enough to have scholarships have to survive off what money they've either saved up before coming to Dunedin, what they're able to make working part time during the year, or what they can save working back home each holiday. Furthermore, as the currencies can fluctuate

## Bloated pay for uni bosses

**If you have any doubts as to the wastefulness of the university management, one only needs to look at Vice Chancellor Dave Skegg, who receives about \$500,000 per year.**

As the university turns ever towards its primary function as a corporate entity, it has become increasingly worried about its image, both locally and internationally. As more and more of the university's funding comes from private business investment, the University Council have been forced to do

whatever it takes to make the university appealing. The image that is being sold is not as a place of learning and for exploring ideas, but instead as a conservative and reliable place that businesses can exploit to further their own interests. The Scarfie atmosphere that was the selling point of Otago for so long is no longer acceptable to the administration, or the big business interests to which it is beholden.

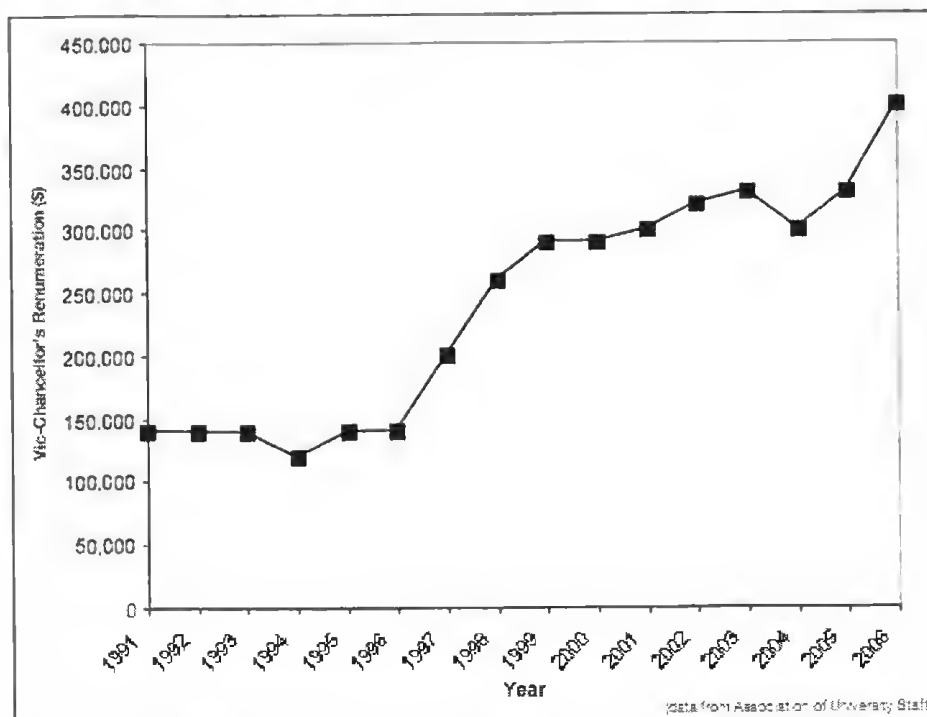
All too often, large amounts of money are thrown into 'profitable' lines of research. The great glass monstrosity also known as the centre for innovation was built expressly to allow the closer functioning of businesses and the university's science departments. Predictably, this trend toward privatization has detrimental consequences in regard to the way the university administration treats

its students, the more extreme examples of which are just becoming obvious. In Otago, it began with attempts to cut the languages departments, evoking a massive wave of student protests. The clock-tower was occupied by students. The university was forced to back down from some of their cuts, and as a result we still have Spanish, Portuguese and a myriad of other languages avail, while at the same time, others such as Russian still got the cut.

Staff and students must resist the corporate management style of Otago University Council. It is ridiculous to put students into debt, while forcing departments to cut back on quality. We demand that the university provides free education for all, and totally disregards the desire for profit.

**Sick of trying to live on \$150 per week? Got an escalating student loan? Its time to take action! The EAG is a collective dedicated to fighting for free education, zero fees and a universal living allowance through direct action. If you're keen to see some action taken around this issue, email [eag@eag.ousa.org.nz](mailto:eag@eag.ousa.org.nz)**

## VC's PAY ON THE RISE





# and international students

dramatically, it makes it very difficult to predict how far money from overseas will last in New Zealand.

International students have almost no ability to defend themselves from these raising costs. They have no representation on university councils except for the token representation that OUSA is granted. To make matters worse, many students have left by the time the university sets fees for the following year. Many do not feel confident enough to make their voices heard. Expulsion is as good as deportation.

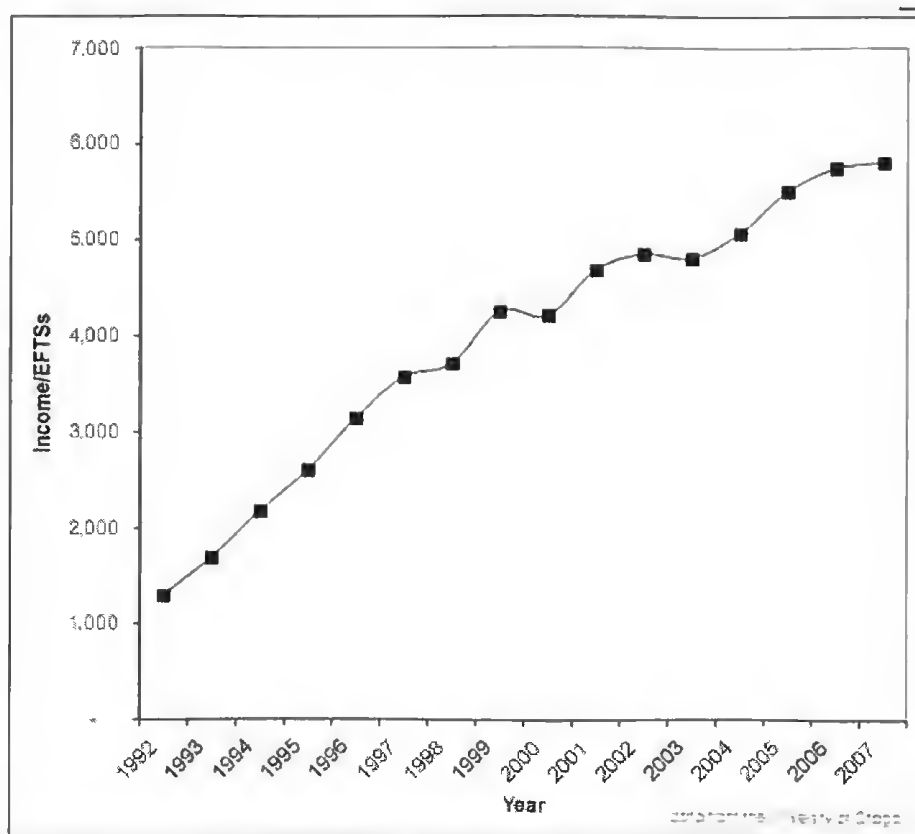
However, this does not mean that international students are the only ones who should care about what the university is doing. Ever since National abolished the \$1250 "flat fee" that Labour had imposed the year before in 1989, universities have attempted to supplement their income by squeezing students for every penny they can. It did not take long before the bureaucrats who oversee the running of our national universities started to use the escalating international student fees to justify the gross inflation of domestic fees as well.

The only way to stop the university from

putting up fees for all students is to fight back. All students should be involved for fighting for free tertiary education. Universities should be places that focus on learning and sharing knowledge, rather than a corporate institution. Major decisions that affect the university should be democratically decided by the majority of staff and students combined.

By Kevin Hodder

## Management screws more cash from kids



**T**he amount of cash the university extracts from each student has grown by around 500 per cent in the last 15 years! At the same time the student allowance has barely grown at all. Students are increasingly seen as raw material in a degree factory. We need to fight this!

## Code of conduct clampdown after riots

**A**fter the riots on Castle Street in 2006, the Otago University decided that it had a golden opportunity to clamp down on student behavior.

This was a lot of bad press for the university. OUSA supported the administration to blame the students, rather than the police. The Code of Conduct was designed to empower the university administration to deal with

undesirables, both on and off campus. While a reasonably effective protest movement and action from OUSA has meant that the university has been unable to use the code of conduct to expel any students, they were unable to stop it being introduced.

The Code was never designed "to promote the University's academic aims and sense of community, through the cultivation of mutual respect, tolerance and understanding," as Skegg described it. Rather, the aim was to crack down on embarrassments such as conflicts between students and police, such as student protests.

The University assembled a security team

labeled Campus Watch in order to enforce the code. These glorified security guards can be found on the streets on and around campus at all hours of the day and night. While ostensibly there to look out for students, they have recently shown their true colours, co-operating with the arrests of marijuana reform activists on campus. Plain clothes police officers were also involved in the operating.

The Code of Conduct should be abolished. All student and staff should democratically decide as to how the university should be run.

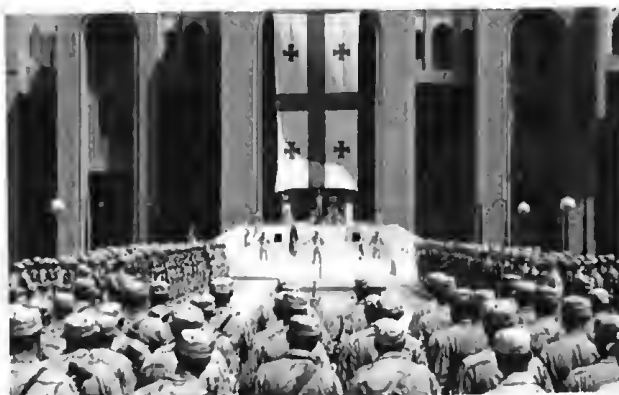
Kevin Hodder

# Russia and USA clash in the Caucasus

**The recent conflict in Georgia has seen the usual stream of bellicose statements, moral smokescreens, and rank hypocrisy, which only our world's great leaders seem able to spout with straight faces. But behind the propaganda is an ongoing battle between the US and Russia, with Russia now starting to actively fight back after years of insulation and consolidation.**

This battle has continued for many years, from the division of the former Yugoslavia, to the 2003 War in Iraq; from the expansion of NATO, to the Caspian oil pipelines flowing through the Caucasus. While many have tried to isolate this conflict into an historic month of conflict, wars in the current world system are never so neatly defined and rage through economic, diplomatic and at times military means. A battle once hidden, now open.

The justification coming from the Kremlin is that of a war to defend the persecuted minorities of Georgia, who have



Georgian Army soldiers commemorate Georgian independence in occupied Baghdad, Iraq, 2000. Georgian troops were sent to support the US invasion of Iraq. Georgia was forced to beg the US to airlift these troops back home after Russia crushed a Georgian attempt to subdue its breakaway region of South Ossetia.

looked to Moscow for their defense since the disintegration of the USSR. The minorities of both South Ossetia and Abkhazia do have a legitimate demand for protection from the Georgian state. During the early 1990s thousands of these people, as well as even larger numbers of ethnic Georgians were killed in brutal civil wars in these regions. However Moscow should never be assumed to be defending the rights of minorities on any moral grounds. In the mid to late 1990s Russia waged it's own war against separatists in Chechnya, on Russia's northern border with Georgia. These conflicts claimed tens of thousands of people, and were marked by particularly brutal acts of violence and mass "collateral damage" caused by Russian aerial bombing.

The official US line is that it defends the "territorial integrity" of Georgia, and thus supports Georgia's right to suppress secessionist movements within its territory. Washington takes quite a different stance when it comes to secessionist movements in

Serbia, a close Russian ally. The US openly supported the Kosovar Declaration of Independence from Serbia, in February of this year. The similarities between South Ossetia and Kosovo are obvious, both are minorities seeking self-determination by aligning and becoming a tool of either the US or Russia as these major powers compete for strategic gains.

While the western mainstream media has been quite scathing of Russia's moral justifications, they seem to accept the hypocrisy coming out of Washington with a respect that it does not deserve.

A more realistic account of the current conflict came from the former German Foreign Minister Joschka Fischer, in his weekly column in Die Zeit, who said that the Russian-Georgian war "concerns Russian-American competition for strategic control over the oil and gas resources of this whole region—it is the new great game." Media claims that Russia is maliciously determined to re-impose its old soviet



**Pipeline Pals: US-educated Mikheil Saakashvili came to power in a bloodless coup in Georgia in 2003 - the so-called "Rose Revolution".**

Like the Orange "Revolution" in Ukraine in 2004-05, disgruntled junior politicians played on popular bitterness against the collapse of social services carried out by ex-Stalinist politicians like Georgian President Eduard Shevardnadze, former Foreign Affairs minister of the USSR. Saakashvili posed as a reformer but the only real break with the Shevardnadze-era was a change in foreign policy towards slavish devotion to the USA. Georgia is an essential part of the US-sponsored Baku-Ceyhan pipeline, which allows the US to extract oil from Central Asia while avoiding Iran to the south and Russia to the north.

## Workers' Revolutions of the 20th Century \$5

Of all the arguments that socialists make, the insistence on the need for revolution is perhaps the most controversial. Not, in many cases, because the idea of revolution seems bad, but mostly because it seems so unrealistic. And yet a brief look at the recent history of capitalism shows not only that revolutions happen, but that they keep happening again and again, sometimes despite seemingly overwhelming odds. This pamphlet documents just some of the working class revolutions of the last century: Russia in 1905 and 1917, Germany 1918-23, Hungary 1956, Chile 1972-73, Iran 1979 and Poland 1980-81. The accounts testify to the courage and creativity of working people when they organise and fight back. But while this history shows that revolutionary outbreaks are inevitable, they also show that victory for the oppressed masses is far from certain. So in looking at this history, the authors have tried to draw lessons for the future.

## Reform or Revolution \$3

### Rosa Luxemburg

Luxemburg wrote this essential pamphlet in opposition to the important theorist of reformist socialism, Eduard Bernstein, whose ideas became popular in the German Socialist Party around the turn of the 20th Century. In this pamphlet, Luxemburg points out that reformism is not just a different road to the same socialist end that revolutionaries espouse, but a road to a different destination altogether.



Rosa Luxemburg

## The Socialist Movement: Our History \$6

The history of the socialist movement is rich with lessons for those wanting an alternative to the horrors of modern capitalism. This pamphlet introduces the real story of our movement.



How capitalism is costing us the earth

### How capitalism is costing us the earth \$8

Liz Ross gives a Marxist analysis of the planet's environmental crisis, and puts forward the socialist solution.

### Essays on Nationalism and Revolution in the Arab World \$6

#### Socialist Alternative

These essays look at the politics of nationalism, socialism and Islamism in the Arab world, and examine the different strategies these currents present as a way forward for the Arab revolution.

### The Communist Manifesto \$6

#### Karl Marx & Frederick Engels

The introduction to Marxism by its founders. The Manifesto of the Communist Party was written just before the revolutions of 1848, as the public expression of the ideas of the German Communist League, of which Marx and Engels were leading members.

sphere of influence, seem to ignore the fact that Georgia is becoming part of the US sphere of influence. The conflict is about two-spheres of influence colliding.

For the US, Georgia is important for two reasons. The first is the obvious value of Georgia in its strategic role as a conduit for Caspian energy resources that could avoid Russian territory. In 2005 the Baku-Tbilisi-Ceyhan pipeline came on line, now pumping one million barrels of oil per day, from Azerbaijan, through Georgia, and on to the Turkish Mediterranean port of Ceyhan. By avoiding Russian territory, the pipeline reduces not only Russian revenue on transportation charges, but also its strategic control over Europe's energy supply.

It is important to note that when the pipeline construction began, the then Russian President, Vladimir Putin, responded not with threats, but by advocating an upgrade to an existing trans-Russian pipeline to compete economically with the new pipeline. What this showed was not so much Russian acceptance of "fair play" in the international economic

system, but a realization of its power at the time. This was a theme that dominated the early years of Putin's reign. These were years when Russia avoided direct confrontation with the West, and instead focused on consolidating the power of the Russian state, and pulling the economic back from the economic chaos of the early post-Soviet period.

The second interest of Washington in Georgia is its geo-strategic importance. For years Washington has been advocating NATO's enlargement to include the Ukraine and Georgia. As Cheney put it, "Georgia will be in our alliance, NATO is a defensive alliance. It is a threat to no one." In conjunction to this the US is building a world-wide Missile Defence system, with recent agreements to host missile components of this system in Poland and radar systems in the Czech Republic. Russia is not only being surrounded by NATO, but the US is actively seeking to neutralize Russia's nuclear arsenal. In response, Russia is now discussing plans to aim nuclear weapons at Western Europe for the first

time since the end of the cold war, and the possibility of Georgia hosting elements of the defense system would only exacerbate the situation.

Russia and the US are playing a risky game, with nuclear war always a possibility when a nuclear power is backed into a corner. For the average Russian and American, who has not bought into the moralizing propaganda of their rulers, this may all seem pointless. The potential economic trickle down of controlling Caucasian resources and strategic positions is unlikely to convince them to risk sending their children off to fight, or risking nuclear war itself. It is different for the business and political elites of these countries, who do not have to send their children to fight and gain all the real wealth from these conflicts. But at heart the problem is an illogical system of international economic competition that puts profits and economic expansion, before the actual logical interests of human kind.

By Sam Campbell

# Market Meltdown

## What's wrong with Wall Street?



**M**ANY PEOPLE are understandably frustrated when they try to make sense of the world financial crisis based on what they read in mainstream newspapers. Lee Sustar of Socialist Worker (US) explains how the Wall Street financial crisis grows out of the chaotic nature of the capitalist system.

Mainstream papers typically fence off business news into a special section dominated by jargon. Until the economic crisis broke, television news anchors rarely mentioned the economy except to give stock market reports or figures on economic growth.

Then there are specialized business newspapers, like the Wall Street Journal, that are off-putting to working people, and intentionally so. Their audience is a select group of executives and investors who write and speak in a kind of code. They use terms like "maximizing productivity" to mean making people work harder for less, and "restructuring" to describe factory closures and mass layoffs.

The financial jargon you read in the press is almost impossibly confusing.

To understand the financial crisis, it's best to step back and look at how the capitalist system really works.

More than a century ago, Karl Marx put forward the first scientific understanding of the dynamics of capitalism. The driving force of the system, he argued, was blind competition between rival capitalists.

Instead of organizing their business around the priority of meeting human needs, these capitalists seek to maximize profits. They do so by paying workers for only part of the value that they produce, and keeping the surplus for themselves for profits, which are then used to finance investments to further expand production.

By the second half of the 19th century, capitalist enterprises had become too big to rely simply on their own profits to finance expansion. Traditional loans from banks weren't sufficient either. But if a given company didn't expand, it would lose out to its competitors.

***Is the whole financial system really in crisis because of something called "mortgage-backed securities"?***

### The birth of sharemarkets

The capitalist solution was to raise money by selling ownership shares (also called stocks) in companies, as well as borrowing money by selling bonds (a promise to repay investors what they put in, plus interest).

Stocks, bonds and other financial instruments - collectively known as securities - had given rise, by the start of the 20th century, to an enormous credit system, complete with stock exchanges and other financial markets.

As Marx wrote in his indepth study of the economy "Capital", credit greatly expands the "scale of production, and enterprises which would be impossible for individual capitalists." This accelerated the development of capitalism - by eliminating the need for all transactions to directly involve the exchange of money, which sped up the rate at which commodities could circulate in the economy, something that was essential for the growth of a world market.

The expansion of what later Marxists

called "finance capital" created what Marx called "money capitalists"--investors who have no direct relationship to the actual production of goods.

Finance capital played a decisive role in the creation of modern corporations a century ago by organizing the mergers that led to monopolization of entire industries. The credit system, according to Marx, "reproduces a new financial aristocracy, a new kind of parasite in the guise of company promoters, speculators and merely nominal directors; an entire system of swindling and cheating with respect to the promotion of companies, issue of shares and share dealing. It is private production unchecked by private ownership."

### Finance market deregulation

It is this type of speculation and gambling on the financial markets that set the stage for today's economic crisis.

For the past three decades, both Republican and Democratic governments have pursued deregulation of banks and financial markets. This was a central part of the pro-market, neoliberal economic program--and it freed Wall Street from regulations that date from the Great Depression of the 1930s that followed the financial crash of 1929.

Deregulation resulted in the creation of a "shadow banking system" that handles \$10 trillion of financial activities - equal in size to the traditional, regulated banking system.

Much of the shadow banking system

**Credit produces a new financial aristocracy, a new kind of parasite in the guise of company promoters, speculators and merely nominal directors; an entire system of swindling and cheating with respect to the promotion of companies, issue of shares and share dealing. It is private production unchecked by private ownership.**

revolves around so-called "hedge funds," which allows pools of private investors to speculate on various trends in the economy--movements in the value of national currencies, interest rates and more.

Many hedge funds specialize in trading "derivatives"--that is, financial instruments that are "derived" from the value of an underlying stock, bond or other security. The managers of these funds are often mathematicians, who use computer models to calculate these debts and execute billions of dollars in financial trades with the flick of a few keys.

For a long time, it seemed as if nothing could go seriously wrong, as the Wall Street banks pulled in enormous profits in these new, unregulated markets. One crisis was averted in 1998 when a hedge fund, Long Term Capital Management, made a bad bet on derivatives related to the Russian currency, the ruble, and went bankrupt. The U.S. Federal Reserve had to line up several big Wall Street banks to bail out the fund and avoid a freeze-up of the credit system that might have taken place if a chain reaction followed Long Term Capital's collapse.

Almost exactly 10 years later, however, the credit markets are once more freezing up. Again, the reason is a series of bad bets by traders of derivatives. Only this time, almost every big U.S. and European bank is involved, with potentially devastating consequences for the world economy.

### Housing bubble

Here's where the housing bubble comes in. To see why, it's useful to look briefly at the main trends in the U.S. economy in recent decades.

Workers' wages in the U.S. have been stagnant since 1973, with family income increasing only because of the increased numbers of women in the workforce and people working longer hours. But in the economic expansion that began in 2001, family income actually declined--the first time this has happened since the Second World War.





# What's wrong with Wall St?

**Workers have had to go into debt to maintain their standard of living. Americans have \$2.6 trillion in consumer debt, up 22 percent just since 2000. Millions of people borrowed by taking out a second mortgages on their homes--a figure equal to \$1.1 trillion by early 2008. By the end of 2007, mortgage debt was \$10.5 trillion, more than twice the level of \$4.8 trillion that existed in 2000.**

Today, some 26.4 percent of U.S. workers work for poverty wages, and during the 2000s economic expansion, workers' productivity grew by 11 percent, while real wage gains (after inflation is taken into account) amounted to nothing.

At the other end of the spectrum, the richest 1 percent saw its overall share of annual earnings almost double from 7.3 percent in 1979 to 13.6 percent in 2006, the most recent year for which figures are available. The top 0.1 percent did even better--their annual earnings increased 324 percent from 1979 to 2006, to more than \$2.2 million.

This accumulation of wealth by the very rich underpinned the growth of hedge funds and other forms of financial speculation.

## Household debt

As a result of this inequality, workers had to go into debt to maintain their standard of living. Americans have \$2.6 trillion in consumer debt, up 22 percent just since 2000. Millions of people borrowed by taking out a second mortgages on their homes--a figure equal to \$1.1 trillion by early 2008. By the end of 2007, mortgage debt was \$10.5 trillion, more than twice the level of \$4.8 trillion that existed in 2000.

Loans with low introductory "teaser" interest rates enticed workers to keep borrowing. People figured they could avoid paying the higher rates that were due to kick in later by simply refinancing. They were encouraged to believe that it would become possible to borrow on better terms in the future because the value of their homes was bound to increase.

Mortgage lenders saw this as a can't-lose proposition. They were able to sell the huge volume of loans to Wall Street banks, which bundled them into bonds known as mortgage-

backed securities. These securities could then be sold off to other banks and investors around the world. The holders of these securities were supposed to get a steady stream of revenue as homeowners made their monthly mortgage payments.

## Trouble

The scheme was bound to run into trouble at some point--when the market was flooded with too many houses or a recession cut into homeowners' ability to make mortgage payments. But the problem was greatly magnified by the role of the shadow banking system.

It worked like this: Traders created a totally unregulated market in derivatives based on the value of mortgage-backed securities. The most important of these were "credit default swaps"--a form of insurance for those who invested in mortgage-backed securities. If the mortgage-backed securities declined in value, the company that sold the credit default swap was obliged to cover those losses.

By early 2008, the value of credit default swaps was an estimated \$62 trillion--nearly five times the annual output of the U.S. economy. Once the U.S. housing market went into free fall, the companies that sold these credit default swaps, like the insurance giant AIG, were on the hook--but they don't have the money to cover the losses. That's why the supposedly free-market conservative Bush administration stepped in to nationalize AIG.

But the bad debt is everywhere--and it goes far beyond housing. Governments in the U.S.

**Governments in the U.S. and Europe have been forced to nationalize banks to avoid a chain reaction that could take down the entire financial system.**

and Europe have been forced to nationalize banks to avoid a chain reaction that could take down the entire financial system.

## Robbing workers to pay the rich

And now the Bush administration has gotten congressional approval to spend \$700 billion of U.S. taxpayer money to buy up bad debts from U.S. banks--a colossal robbery of workers by the minority of wealthy parasites who presided over this catastrophe.

It's impossible to predict the depth or length of the unfolding economic crisis. But one thing is already clear: the neoliberal, free-market ideologues have been exposed as apologists for a system that will be ruthless in its attempts to make workers bear the costs of this crisis. Those who argue for a socialist perspective will find an audience open to alternatives to this chaotic system.



# Benefit cuts hurt

**The National Party has attacked solo mothers, by advocating for a scheme that will see them working 15 hours a week when their youngest child turns 6.**

However, the National Party actually benefits from unemployment. Unemployment keeps people who work scared. They are scared that they may lose their jobs, so their bosses will save more money. In order to keep their jobs in a turbulent economy, workers are willing to work harder for less.

During Key's brief spell for Merrill Lynch in Sydney in 2001, he helped fire 500 staff as part of savage worldwide retrenchment by the bank. In the past, Key has appeared proud of his ability to sack without feelings. He told Metro magazine: "They always called me the smiling assassin."

## 200,000 children in poverty

There are approximately 200 000 children living in poverty in New Zealand. Even if solo mums are working at MacDonalds or Pac 'n' Save, this will not change this fact in the slightest. Furthermore, even Labour's Working For Families package has totally failed to address child poverty. The reason is that only working parents benefit under the scheme, rather than parents on the benefit. This means that children's rights, such as the right to decent food, shelter, clothing, are affected due to their parents' status. Both



**"They always called me the smiling assassin"**

Labour and National are capitalist parties.

## Labour and National

Since Rogernomics, both parties had implemented policies that have been a huge burden on working class people. The whole neo-liberal project does cannot provide the money that is required to adequately support beneficiaries.

According to Children's Commissioner's Child Poverty Report, hospital admissions for many conditions (e.g. pneumonia, skin infections, asthma) are 3-4 times higher for children living in the most socio-economically deprived areas. Many children live in houses which place them at risk of ill health (e.g. 43 per cent of children in New Zealand's poorest areas lived in overcrowded households in 2006). Household crowding in turn predisposes children to a range of infectious diseases including meningococcal disease, respiratory infections and skin infections. This is not happening in a third world country, it is happening in New Zealand.

## Struggle from below

We must remember that the right to receive welfare was won from below. We must fight for the right of our brothers and sisters to receive sufficient welfare when they have genuine reasons for being unemployed. We must not accept the strategy of the National Party, to divide workers and rule them. In a socialist world, we would guarantee full employment to all, and support all those who had genuine reasons for not working. Furthermore, we would provide the unemployed with sufficient resources so they could live a life of dignity. And let us not forget, raising children is a genuine reason for not working. We must fight sexism, in the home, at universities, at work, and in parliament. Most of the gains that the women's movement has won, such as the right to vote, the right to work, the right to contraception, were won from below. They were won by people of both sexes, getting off their backsides and demanding a fairer world.

By Reece Wright

# Where does oppression come from?

**We Can Do It!**



Right-wing politicians have always worked against the women's liberation movement. Especially over the past one hundred years, women have claimed many victories against oppression in society. But where did this oppression come from? There has been oppression since the beginning of class society – when the desire of property-owners to pass on their property resulted in wives becoming property – but prior to that, the overwhelming bulk of scientific evidence shows that men and women, living mainly as hunter-gatherers, contributed equally to the running of the community.

Even in pre-capitalist England, the household economy (as opposed to the fields) was headed by women. Cheese, cloth, wool, bread and all other basic goods were made at home, giving women some sway. With the rise of capitalism, there came

the separation of production and reproduction. Work and home became separate spheres. This in turn led to men to dominate society in both the workplace and the home (which was utterly dependent on wages). Women were reduced to breeding machines. However, women have proven that they should be treated with respect and dignity. Technology has made differences between the sexes pretty much irrelevant in terms of production. Today there are few jobs that a woman could not do. One hundred years ago, factories required much more heavy lifting etc. Obviously, women can use forklift and trolleys to mitigate any difference in strength. When the men went away to wars in the twentieth century, society suddenly realised how dependent it was on the work of women for its survival.

# The police aren't neutral

**There's a pretty pervasive myth that the state plays the role of a neutral arbiter, sort of some objective force, above and removed from society, which acts to mediate disputes between individuals in society. There's this idea that by upholding the rule-of-law, all the competing interests of all citizens can be fairly balanced.**

So, in this light, the state is not seen as being an obstacle to a better society. The obstacle only arises when the state, and the machinery of the state – like the police – fail to maintain their separation from society and are “corrupted”. However, what needs to be appreciated here is that the State is not a neutral instrument – a tool which can be wielded by any class in society, but rather it is an expression of the class society which created it – namely a capitalist one. Lenin pointed out in *State and Revolution*, that just as “the ancient and feudal states were organs for the exploitation of the slaves and serfs; likewise, the modern representative state is an instrument of exploitation of wage-labour by capital.”

Fredrick Engels put it very well in his book *“The Origin of the Family, Private Property and the State.”* Summing up he says:

“The state is, therefore, by no means a power forced on society from without...”

Rather, it is a product of society at a certain stage of development; it is the admission that this society has become entangled in an insoluble contradiction with itself, that it has split into irreconcilable antagonisms which it is powerless to dispel. But in order that these antagonisms, these classes with conflicting economic interests, might not consume themselves and society in fruitless struggle, it became necessary to have a power, seemingly standing above society, that would alleviate the conflict and keep it within the bounds of ‘order’; and this power, arisen out of society but placing itself above it, and alienating itself more and more from it, is the state.”

Under a capitalist system, the two major classes are the Capitalists, (the bourgeois) and the Working Class. Both these classes have their own economic interests. Workers generally want higher wages, better working conditions, public healthcare and things like that. Capitalists, on the other hand generally want to pay lower wages, to spend less on working conditions, and to pay less taxes. And as you can see, these interests are generally irreconcilable – you cannot have both higher wages, and lower wages at the same time. This conflict of interest which gives rise to the Class Struggle.

So, as you can see, far from being an objective arbiter, the state is in fact a pillar of capitalist rule. With this in mind, how

does the State accomplish its task?

When times are good, and capital can afford to give a little back, and worker's confidence is high, the state can act to channel that confidence, and co-opt the working class via reforms, and raising the minimum wage.

But what happens when the economy is not adequately performing? What happens when capital cannot afford to accede to the demands of the workers? This is where as Lenin puts it “Special bodies of Armed Men, Prisons, etc” come into play. And also, crucially, the state, and the police force's, position above and separated from society.

**Only about 20% of crimes are solved. And in the vast majority of these cases the offender is known to the victim – in Australia, according to their Bureau of Statistics, only about three percent of crimes are solved through actual detective work.**

The police as we know them were first established in London in 1829 by a ruling class increasingly worried about the Chartists, a rebellious workers' movement. Fredrick Engels wrote later that for “the English bourgeois...the policeman's truncheon ... has a wonderfully soothing power. But for the working man quite otherwise.” The police were much needed defenders of capitalist rule and property, able to violently break up demonstrations, arrest ringleaders and protect scab labour.

Early attempts to use the army on strikers and other demonstrations ran into difficulties – on the one hand, soldiers were usually conscripts billeted with working class families who might rebel against such orders; on the other hand their training and weapons were for indiscriminate killing which could provoke insurrection.

Most people do not think of repression and class conflict when they think of the

police. When police constabularies were first introduced to British communities, there was massive public resistance. They were often stoned out of town, and when a constable was killed after a baton charge in 1833, the jury brought down a verdict of justifiable homicide. In response to this, a public relations exercise had to be carried out, emphasizing the role of the police as crime-fighters protecting your neighborhood.

But this image doesn't really stand up to much scrutiny. The absolutely farcical performance of the Dunedin police recently, when they shut down half of the central city for a day all over one teenager with a flare gun is a good example. The fact that it took so many police officers, as well as other emergency services, so long to calm down one boy illustrates how having a police force that is separate, and crucially, antagonistic to the population is counterproductive to fighting crime. Other high profile cases also back up this position.

But it's not just anecdotal evidence, crime statistics show how woefully inadequate the police force is at actually doing what they claim to do. Only about 20% of crimes are solved. And in the vast majority of these cases the offender is known to the victim – in Australia, according to their Bureau of Statistics, only about three percent of crimes are solved through actual detective work.

Furthermore, The Police actively target the most vulnerable members of society, almost half of arrests made for violence and dishonesty offences are Maori. Maori youth arrest rates are almost three times higher than Pakeha. It's a strategy of divide and rule that diverts attention away from real threats, such as government cuts to health care, towards unemployed teenagers, Maori or some other target group.

The 2007 terror raids on the Tuhoe communities in the Urewera has the same effect on a larger scale.

The role police play encourages them to see ordinary people as dangerous if uncontrolled, so as a group, they are among the most right-wing sections of society and have been shown again and again to have a deeply racist, sexist and homophobic culture. The culture exposed by the police rape trials of Rickards, Schollum, and Shipton was not an unfortunate historical anomaly, or however it was rationalized, but rather it is indicative of the sort of institutional behaviour encouraged by the way our police force is organized.

In a socialist world, there would be no police force. Rather, workers would democratically elect and control a militia force. They would work in the general interests of society. They would not be racist, sexist or homophobic. They would arrest real criminals, rather than the petty thieves whom receive the majority of police attention today.

By Chris Baxter

# The reality of homophobia

**Since the emergence of the gay liberation movement in the 1960s, a seismic shift has occurred in people's attitudes to homosexuality. The majority of people in Western societies are actually in favour of reforms such as gay marriage. In spite of this however, the attitudes of societies' 'leaders' enables homophobia to persist.**

Statistics from secondary schools can provide an insight into the oppression that Queer people are faced with. A 2004 study indicated that 12.4 per cent of Queer and questioning high school students are bullied once a week and that 14 per cent reported skipping school because they were afraid that they might be bullied<sup>1</sup>. They reported being targets for bullying, name-calling, social isolation, being told by teachers that homosexuality was wrong; feeling insecure about themselves and that others simply assumed that they were straight. One transgendered woman was told that she couldn't use the toilets because her gender was unclear, and that teachers refused to use her correct name or pronouns<sup>2</sup>. The denial of a positive sexual identity results in higher rates of depression and suicide for Queer and questioning youth – 22.9 percent report a significant number of depressive symptoms, and 15.3 percent have attempted suicide<sup>1</sup>.

Of course, homophobia is not restricted solely to schools. Indeed, many young queer people drop out of school before finishing seventh form, the desire to escape from the school environment being a contributing factor. Gay and lesbian people report being kicked out of bars and nightclubs for kissing their partners, something seldom (if ever) reported by straight couples. Public expressions of affection towards members of the same sex can lead to ridicule or harassment, to such an extent that it is not unusual for Queer students at University to leave a hall of residence before the year is over. Violent attacks against lesbian, gay and transgendered people still occur, even to the point of murder – as recently as in December last year.

In official society law reform has continued, but there are still some legal



What are you afraid of? A New Zealand march against the criminalisation of homosexuality.

barriers to equality. It is still legal to discriminate against a lesbian or gay person in some areas of employment, in the provision of shared accommodation and in the disposal of inheritances. Worst of all, the 'gay panic defence' remains in section 169 of the Crimes Act, allowing the murders of gay and lesbian victims to claim they were driven to insanity by the fear of sexual assault<sup>3</sup>. In two out of the four cases in which this defence was employed in recent years, it was successful in having murder charges reduced to manslaughter.

The continued existence of homophobia is the result of bigoted ideologies on one hand, and the actual the structure of the capitalist system on the other. The attitudes of conservatives and church leaders are indeed the driving force behind homophobia, but they in turn are only the ideological prop for the status quo in society – the capitalist system of the free market, private property and the private family. An excerpt from a 2005 article in the Australian magazine *Socialist Alternative* describes this system well:

...Homophobic ideas - so propagated by ruling class politicians and institutions like the media - are also underpinned by material realities that legitimise them: the reality of the family; the reality of the anti-gay laws that prop it up; the reality of police harassment; the fact that most of the time teachers and bosses do little or nothing to prevent the homophobic abuse endemic in schools and workplaces, and frequently

perpetrate it themselves. In this climate, and in the absence of significant struggles for lesbian and gay rights, it is little wonder that many working class people hold views that reflect the sickness of the society they live in.

But these material realities did not simply spring from nowhere. Homophobic oppression is a pillar of capitalist society, a means by which working class people can be organised into nuclear families, so that they reproduce themselves at little cost to their rulers.<sup>4</sup>

The link between homophobia and the establishment of a capitalist, nuclear family in which everybody is supposed to live in a relationship that has one man, one woman, two and half children and a white picket fence – and all the predefined gender and sexual roles that go with it – becomes even clearer when it is considered exactly when homosexuality was made illegal: in the late 19th century (1885 in England, and 1893 in New Zealand) – the same time as the upper and middle classes were bemoaning the disappearance of the traditional (i.e. peasant) family in England's factory barracks!

Homophobia is thus an important ideological prop to the capitalism. Whipping up homophobia is also a useful tool for our rulers – it serves to divide up the population, and hinder working peoples' ability to fight back against every form of poverty and injustice. After all, most of those who marched in Destiny Church's disgusting display in 2004 were not wealthy industrialists, but the working poor, many of them Maori and Pacific Islanders – people who have themselves faced injustice and oppression at the hands of a Pakeha elite.

To end oppression centered on sexual orientation and gender identity once and for all, then, we need a political movement that can speak out against the system's bigoted ideologues. It needs to unite all the oppressed – Maori, Pacific Islanders, women, gays, lesbians, transgendered people, the poor and the working class. It is in the interests of everybody – gay and straight. When people are divided, the only winners are those that rule over us.

By Cory Anderson

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# Israeli account of massacres in Lebanon



*Waltz with Bashir* is the semi-biographical account of director Ari Folman's attempt to recall his bloody tour of duty in the 1982 Israeli invasion of Lebanon. The film has been a hit at most of the world's international film festivals, but shocked many when it walked away from Cannes without a prize.

The film follows Folman's meetings with his psychologist friend, and several of his army companions as he tries to piece together what happened during his time in Lebanon. At the beginning the only memory he has is of himself and two soldier friends lying in the sea on Beirut's southern shores. This haunting scene is

repeated and evolves throughout the film, as Folman begins to reveal his part in the horrific events in the Sabra and Shatilla refugee camps.

The film is shot in rotoscope, giving it a freedom to portray the unreal nature of memories and dreams, and to create a surreal experience in which the viewer can lose track of the fact the film is only an animation. The opening scene, a dreamscape in awesome yellow and black tones, where 26 ferocious dogs charge through the street in search of the soldier that slaughtered them, makes it clear that this is a film like few others. Throughout the film, reality becomes distorted and at times one is sure that real life film crept into the rotoscope scenes.

The Israeli invasion of Lebanon in 1982 was a horrific conflict, which caused great hatred and scarring in Lebanon. However the film

focuses solely on Folman and his comrades, and their life in Lebanon, as well their brief time on leave in Israel. The film really portrays the soldiers as pawns without knowledge or power over what they were doing. The leadership is portrayed as detached, glutinous and cynical. While these may seem like common themes for a war film, the film deals with them subtly, and you do not end up sympathising with the soldiers, but merely following their journey.

As for the Arab participants, the film views them as the Israeli soldiers did. From the Lebanese watching an ambush of the Israelis from their balconies, to the Christian fascists cutting crosses into their assault rifles, the Lebanese are shown as dehumanised bystanders. Folman's detached approach to the Lebanese and Palestinians, is used to great effect throughout the film, and is not a negative to the film as one might assume.

The film is an amazing achievement, both in its sumptuous imagery and powerful insights. While at times the film seems to move quite slowly, its surreal style draws you further into its disturbing reality, and smashes you speechless with its final message. *Waltz with Bashir* is a film that will stay in your head long after you leave the theater.

By Sam Campbell

## The Dark Knight

With a POW! reminiscent of the old Adam West days, *Batman: The Dark Knight* hit cinemas recently.

The plot seems simple enough to start with: crazed lunatics running about Gotham city, a shady deal done to catch a mob boss, and a plot to kill Batman himself. It rapidly then falls into a twisting maze, punctuated by enough explosions and stunts to satisfy the most bloodthirsty.

Compared to other movies of the superhero genre, *The Dark Knight* is a complex film.

Firstly, we have the character of the Joker, played by the late, great Heath Ledger.

It's thrilling because the villain, the Joker, is more of a destructive force than a character, which is summed up in the film as: "Some men just want to see the world burn".

He is obviously a fictional version of terrorists and reinforces the idea that terrorism has no serious motive other than

destruction.

The question is, however in Batman's response to such an "immoveable object". Batman is a vigilante, and as such places himself above the people he protects. He stops short of becoming a Judge Dread-type character merely by the fact that he won't kill.

He doesn't trust the people, and this is the key flaw in the character from a critical perspective.

In the penultimate scene, where the Joker has rigged bombs on two ships, and the only way to stop both blowing up is to blow up one of them, one cannot help but feel that Batman expects people to act as the Joker would have them.

Thus, as a friend of mine said, woe betide Gotham City when Batman is the hero they need, because that's the day when they will have no freedoms left.

By James Gluck





## Socialism

Capitalism is a system of crisis, exploitation and war in which production is for profit, not human need. Although workers create society's wealth, they have no control over its production or distribution. A new society can only be built when workers collectively seize control of that wealth and create a new state in which they will make the decisions about the economy, social life and the environment.

## Workers' Power

Only the working class has the power to create a society free from exploitation, oppression and want. Liberation can be won only through the struggles of workers themselves, organised independently of all other classes and fighting for real workers' power - a new kind of state based on democratically elected workers' councils. China and Cuba, like the former Soviet Union and Eastern Europe, have nothing to do with socialism. They are repressive state capitalist regimes. We support the struggles of workers against every ruling class.

## Revolution Not Reformism

Despite the myth of parliamentary democracy, the structures of parliament, the army, the police and the judiciary cannot be taken over and used by the working class majority. They grew up under capitalism and are designed to protect the ruling class against workers. There is no parliamentary road to socialism.

## Internationalism

Workers in every country are exploited by capitalism, so the struggle for socialism is part of a worldwide struggle. We oppose everything that divides workers of different countries. We oppose all immigration controls. We campaign for solidarity with workers in other countries. We oppose imperialism and support all genuine national liberation struggles.

## Liberation From Oppression

We fight for democratic rights. We are opposed to the oppression of women, Maori, Pacific Islanders, gays and lesbians. These forms of oppression are used to divide the working class. We support the right of all oppressed groups to organise for their own defence. All these forms of liberation are essential to socialism and impossible without it.

## Tino Rangatiratanga

We support the struggle for tino rangatiratanga. Maori capitalists and politicians have no interest in achieving tino rangatiratanga for working class Maori. The Government and corporate warriors' approach to Treaty claims has benefited a Maori elite while doing little for working class Maori. Tino rangatiratanga cannot be achieved within capitalism. It will only become a reality with the establishment of a workers' state and socialist society.

## Revolutionary Organisation

To achieve socialism, the most militant sections of the working class have to be organised into a revolutionary socialist party. Such a party can only be built by day-to-day activity in the mass organisations of the working class. We have to prove in practice to other workers that reformist leaders and reformist ideas are opposed to their own interests. We have to build a rank and file movement within the unions. We are beginning to build such a party, linking the ideas of revolutionary socialism to workers' struggles against the system. If you agree with our ideas and want to fight for socialism, we urge you to join us.



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# JOHN KEY

## Attacks solo mothers



Politics can be "demanding and potentially has a toll on you and your family," says John Key. His policies certainly will take a heavy toll on families dependent on the Domestic Purposes Benefit (DPB) and on working families in general.

Key is estimated to be worth \$40 million to \$50 million, with a mansion in Parnell and a million dollar holiday home in Hawaii, so he has no idea what it is like for a solo mum to raise a child on welfare (for all of his bleating about the state house childhood). National's plan is that a solo mum must look for 15 hours of work when her youngest child turns six. The policy will also apply the same work test to sickness and invalids beneficiaries, while those on the dole for more than a year will be required to re-apply, and be work-tested once again. Yet while 15 hours may seem small now, people should be cynical and to expect this figure to rise if National have their way. We only have to look at the savage "Ruthanasia" cuts by Ruth Richardson in the 1990s as evidence of this.

Furthermore, this move will drive down wages by pushing people to compete for jobs. Solo mothers are especially vulnerable as the average women's wage is still about 20 per cent lower than men's. Remember that it was the National Party that enacted the Employment Contracts Act which smashed unions. Union membership was decreased

dramatically. Short-sighted New Zealanders could not see the long term benefits of not being in a union. As a result, New Zealand wages have not risen significantly. It does not take a conspiracy theorist to see that the National Party wants workers to have lower wages.

Also, the policy puts the onus on the unemployed mother to find a job. Surely the onus should be upon the government, and business to create jobs. Unemployment is set to rise as the recession worsens. Companies such as Fisher & Paykel would

prefer to send their jobs overseas, so that they can save money. It is the system that creates unemployment, not "lazy individuals." Bosses can use unemployment to divide employees and keep them scared.

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***During Key's brief spell for Merrill Lynch in Sydney in 2001, he helped fire 500 staff as part of savage worldwide retrenchment by the bank. In the past, Key has appeared proud of his ability to sack without feelings. He told Metro magazine: "They always called me the smiling assassin."***